



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
FINANCIAL MANAGEMENT AND COMPTROLLER
109 ARMY PENTAGON
WASHINGTON DC 20310-0109

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SAFM-CE

MEMORANDUM FOR THE DEPARTMENT OF THE ARMY

SUBJECT: 2015 Army Inflation Indices

1. The 2015 Army Inflation Indices were developed in accordance with the OSD Inflation Guidance – FY2016 President's Budget, published on 01/08/15 for all forwarded appropriations. These indices are contained in the Excel file titled FY15 Joint Inflation Calculator and can be found at: <http://asafm.army.mil/offices/CE/Rates.aspx?OfficeCode=1400>
2. For the past four inflation indices update cycles, the Joint Inflation Calculator (JIC) has been posted to the aforementioned website and vetted within the Army cost community. The JIC now serves as the singular publication format, replacing our traditional publication format from years' past. See enclosure for a detailed description of the JIC.
3. Beginning with the 2010 indices publication, there was a change to the terminology used within the inflation indices. Consistent with all other services, the Army now uses the terms "raw" and "weighted" instead of "compound" and "composite", respectively. This change in terminology does not affect how calculations are performed.
4. My point of contact is Mr. James Judy at 703-697-1612.

Encl


Stephen G. Barth
Deputy Assistant Secretary of the Army
(Cost and Economics)

Enclosure

The purpose of the Joint Inflation Calculator (JIC) is to provide both Army and Navy indices in a single document, as well as to provide additional features and functionality previously unavailable in the prior, Army, publication format, including:

- a. Expansion of the number of base years, from four to the entire time period, 1989 – 2060.
- b. Budget year index column; allowing the user to translate directly from one TY\$ to another TY\$ instead of deflating and re-inflating.
- c. Quick Look calculator - provides BY/TY conversions.
- d. SAR calculator - converts the budget from TY\$ to BY\$.
- e. Glossary of inflation related terms.
- f. Joint Service calculator user instructions.
- g. Worksheets that display every appropriations' indices for a given base year.

All major commands' cost organizations were given the chance to comment, and provide feedback, on a draft version of this calculator. Many of the recommendations have been incorporated, leading to a final product that has been vetted within the Army cost community, garnering a high level of acceptance. As was previously announced, we are carrying forward with our intention to publish the annual inflation indices solely within the JIC starting in 2012. We welcome any feedback that you can provide. Old verbage!

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